

QUARTERLY REPORT

For the Three months ending 30 September 2009

Galaxy Resources Limited (ASX:GXY) is pleased to provide shareholders with the September 2009 Quarterly Report which outlines the progress made by your company during the quarter. The Company is now fully funded and will hold a significant cash position to support the development of both the Mt Cattlin and Jiangsu projects.



SIGNIFICANT EVENTS DURING THE QUARTER

- Project now fully funded following binding Share Subscription and Debt Facility Agreement with Creat Group Co Ltd (Creat).
- Full A\$130 million project debt finance established with Creat.
- Under this agreement, 34 million shares will be placed with Creat raising A\$ 29 million.
- Additional to the Creat placement, 51 million shares will be placed to sophisticated and institutional investors raising A\$65 million. The placement was completed subsequent to the end of September.
- Shareholder approval of the Share Subscription by Creat and the additional placement occurred on 14 October 2009.
- The foreign company structure was established.
- The approvals process for both the Mt Cattlin Lithium Project and the Jiangsu Lithium Carbonate Project are progressing well.
- Galaxy signed a sale and joint venture agreement with General Mining Corporation (GMC) for the exploration and development of the Shoemaker hematite iron ore project.
- Galaxy signed a 100% purchase agreement for a block of tenements north of Mt Cattlin resource from Vistarise Limited for \$100,000.
- Galaxy also significantly extended its tenement footprint near the Mt Cattlin Project through an agreement to acquire an 80% interest in a block of tenements from Traka Resources Limited for \$145,000.
- The Engineering, Procurement and Construction Management (EPCM) contract for the minerals processing plant at Mt Cattlin was awarded to the DRA Pacific, Mintrex, BEC Engineering Joint Venture.
- Reserve Statement for Mt Cattlin was released.
- The Jiangsu DFS study was conducted by Hatch Engineering in China.
- The final Jiangsu DFS outcome was released subsequent to the September quarter and confirmed the estimated project returns.

Galaxy's Vision

World Player in Lithium

- World's fourth largest lithium carbonate producer
- The second largest hard rock spodumene mine in the world
- Largest lithium carbonate producer in Asia
- Lowest cost producer of lithium carbonate in Asia
- Premium supplier of battery grade

Corporate

Project Fully Funded

Galaxy announced on 25 August 2009, that it has signed a binding Share Subscription and Debt Facility Agreement for financing its project with Creat Group Co Ltd, a private sector investment company based in Beijing, China.

At an Extraordinary General Meeting on 14 October 2009 shareholders approved the issue of 34 million shares (equating to 19.9% of the expanded Galaxy capital) to Creat Group Co Ltd as part of the funding package for the development of Galaxy's projects. As part of the agreement, Creat will provide Galaxy with 100% debt finance of approximately A\$130 million for the purpose of developing the Company's project. The first drawdown (A\$24 million) from Creat is expected on 23 November 2009.

Under the Agreement, Creat is entitled to nominate one Non Executive Board member to the Galaxy Board. At the Extraordinary General Meeting on 14 October 2009, shareholders approved the appointment of Dr Yuwen Zheng as Non Executive Director.

Creat has no off-take requirements and Galaxy is therefore free to market its own product, positioning itself well to maximise the benefits of anticipated increasing lithium carbonate prices. The Board is delighted to have secured the interest and commitment of Creat as a strategic investor to provide long term financing arrangements for the Company's lithium projects.



Signing Ceremony Beijing

Additional Equity Raising

At an Extraordinary General Meeting on 14 October 2009 shareholders approved the issue of 51 million shares as an excluded offer placement to sophisticated and institutional investors to raise an additional A\$65 million. The Placement will complement the Creat debt funding package for the development of Galaxy's project. On 21 October, Galaxy received all the funds from this placement and issued 51 million shares.

Whilst initially the Company has the opportunity to use the Creat full debt facility to finance the project, the Board's intention is that the equity finance raised by the Placement will be used to reduce debt

to more conservative levels once the operations stabilise. Prior to this, the cash raised by the Placement will provide contingency finance for servicing the debt facility and to fund any additional costs incurred as a result of possible delays and overruns during construction, commissioning and start up of the Project.

The additional equity funds raised by the Placement will allow Galaxy to minimise risk during the most vulnerable phase of the Project development. On achieving steady state positive cash flow for the Project, the final target debt to equity ratio will be around 60% which is a very conservative risk profile. The Board believes that this is a prudent approach to funding the Project.

Foreign Company Structure Established

The Company established a wholly owned investment subsidiary, Galaxy Lithium International Limited, registered in Hong Kong during the quarter.

The Hong Kong investment company will be used as the vehicle to establish the Wholly Foreign Owned Enterprise (WFOE) in the Peoples Republic of China (PRC) which will develop the Jiangsu Lithium Carbonate Project.

Mt Cattlin Spodumene Project Approvals

Advice was received from the Department of Minerals and Energy that the application for a clearing permit had been approved. Advice was also received that the Mining Proposal had been approved subject to the payment of the rehabilitation bond which will occur early in the December quarter. The Department of Water had also granted a license to extract 1,095 ML of water per annum for the process plant and mining use.

Shoemaker Joint Venture

The Company signed a sale and joint venture (SJV) agreement with General Mining Corporation Limited (GMC) for the exploration and development of the Shoemaker hematite iron ore project. As Galaxy's prime focus is the development of the Mt Cattlin lithium project, the proposed 50% sale and joint venture of Shoemaker is an excellent way of developing the project while maintaining an upside. The agreement allows Galaxy to maintain an interest in the project without diverting the Company's attention away from the development of Mt Cattlin.

The Shoemaker project is located about 100 km north of Wiluna, Western Australia. In August 2008, Galaxy announced the results of a gravity survey and rock chip sampling of hematite iron mineralisation. Assay results of the rock chip sampling confirmed the presence of high grade hematite iron mineralisation at the project.

GMC will acquire a 50% interest in the Shoemaker project by payment of the following consideration on the date of completion:

1. \$100,000 cash payment;
2. \$1 million of Ordinary Shares in GMC to Galaxy; and
3. One Option for every two Ordinary Shares issued to Galaxy under (2) above, with an exercise date of 3 years from the date of issue.

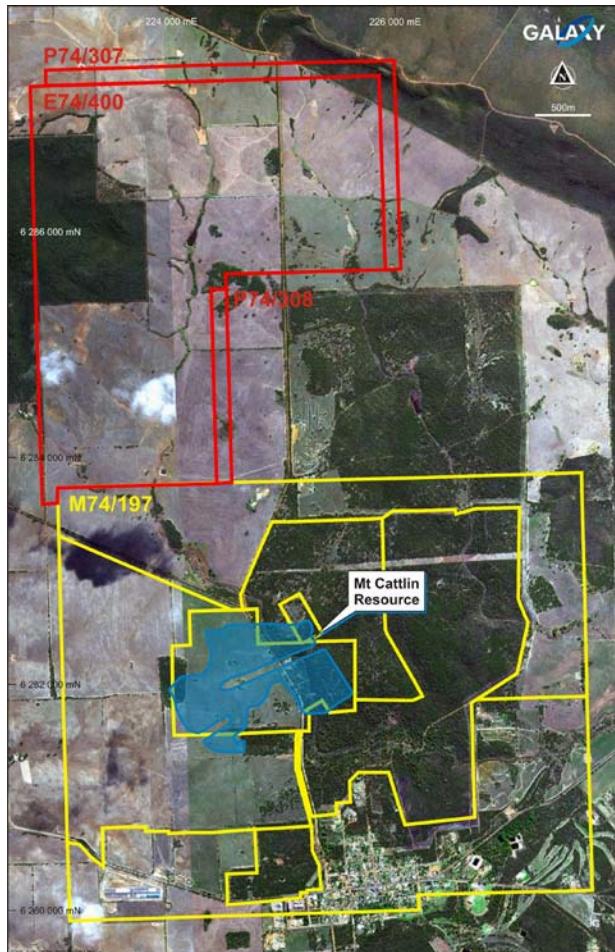
The agreement is subject to the successful listing of GMC on the Australian Securities Exchange or completion of corresponding capital raising of at least \$3 million. The SJV also allows GMC to earn a further 30% by expenditure of \$1 million on the Shoemaker project within 2 years of the date of completion. Galaxy is free carried from all expenditure for the project to the completion of a Bankable Feasibility Study and has a right to appoint a nominee Director to the Board of GMC.

Acquisition of Tenement Extensions

Vistarise

The Company signed a 100% purchase agreement for a block of tenements north of the Mt Cattlin resource from Vistarise Limited for \$100,000. The tenement block, which includes E74/400, P74/307 and P74/308 (see Figure 1) is contiguous with Galaxy's Mt Cattlin tenements as well as Galaxy's Mining Lease application M74/197.

Figure 1. Tenements over Quickbird image.



The ground covers a similar geological sequence to that of Mt Cattlin and the occurrence of scattered pegmatites at surface suggests there is potential for more substantial and continuous pegmatite bodies at depth. The purchase will increase Galaxy's tenement holding in the region. In addition, the occurrence of spodumene at surface indicates the area has potential for complex, lithium tantalum-bearing pegmatites.

Much of the tenement block is covered by cleared farmland including ploughed paddocks with limited outcrop. The mapping by Geological Survey of Western Australia (GSWA) shows scattered outcrops of pegmatites near the eastern edge of the tenement package, and extending onto the purchased ground. Spodumene has been reported in an outcropping pegmatite in the area.

Figure 2. Outcropping pegmatite on Vistarise block of tenements.



Traka

The Company also significantly extended its tenement footprint near the Mt Cattlin Project through an agreement to acquire an 80% interest in a block of tenements from Traka Resources Limited for \$145,000.

The acquisition has the potential to further extend the life of the project and increase the overall robust strength of the mine. The tenement block (see Figure 3), is largely located on cleared farmland and is contiguous with Galaxy's 100% owned Mt Cattlin tenements.

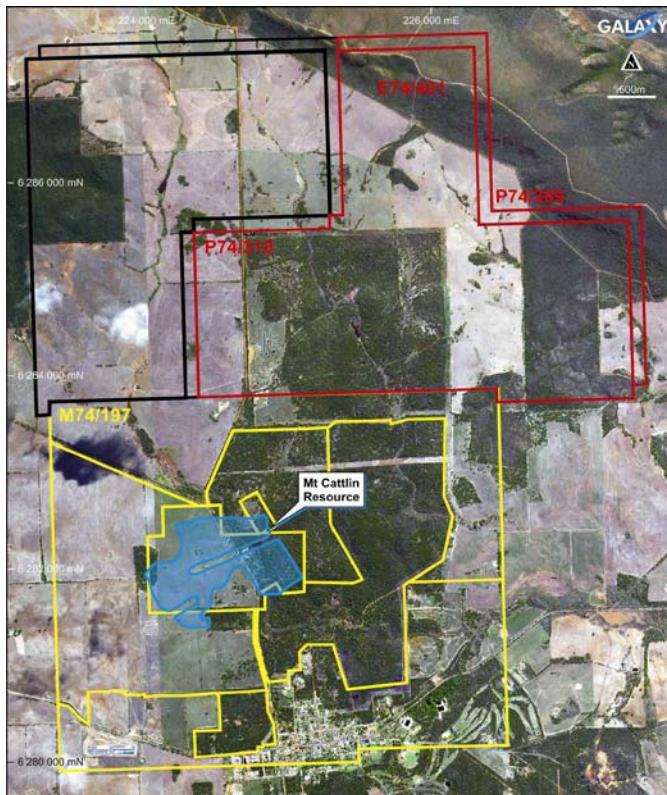
The Traka ground covers a similar geological sequence to that of Mt Cattlin and contains a number of spodumene (lithium)-bearing pegmatite outcrops. Rock chip sampling of pegmatite outcrops on the tenement package have returned significant Li₂O values showing excellent potential for complex, lithium tantalum-bearing pegmatites.

Further early stage work on the Traka tenements has shown that rock chip sampling of pegmatite outcrops on pastoral land in the west of the tenement package has returned significant Li₂O values. In particular, of seven rock chip samples taken over a strike

length of more than 500m from one subcropping pegmatite, five samples returned values over 0.70% Li₂O, with a maximum of 2.04% Li₂O. Galaxy plans to drill test this target in the near future and is currently arranging the required permitting.

In addition, diamond drilling by previous companies exploring for gold on the tenements have encountered significant widths of pegmatites, which will also be followed up by Galaxy.

Figure 3. Galaxy tenure, with tenements acquired from Traka outlined in red.



EPCM Contractor Selected

The Company awarded the Engineering, Procurement and Construction Management (EPCM) contract for its minerals processing plant at Mt Cattlin, Ravensthorpe to the DRA Pacific, Mintrex, BEC Engineering Joint Venture (DMB JV).

The EPCM contract includes construction of a crusher and concentrator process plant capable of producing 137,000 tonnes of spodumene concentrate per year. Both Mintrex and DRA Pacific have strong track records in the field of mineral processing and project delivery, stretching over the past 25 years. Mintrex has specialised strengths in crushing and materials handling, while DRA has significant capability in the processing and concentrating of most ores via Dense Medium Separation (DMS), Gravity and Mill Concentrators.

The Joint Venture will utilise the strengths of BEC Engineering for the electrical and instrumentation design and construction management. Galaxy authorised the DMBJV to commence the early detailed engineering design and procurement phase. The award of the EPCM contract moves the Mt Cattlin project firmly into development phase and on track to achieve first production of spodumene concentrate by Q3 2010.

Reserve Statement

Following the new resource statement in May 2009, updated cost and revenue figures, including data for the Jiangsu Lithium Carbonate Plant were used in preparing a new reserve statement.

Reserve	Tonnes	Li ₂ O%	Ta ₂ O ₅ ppm
Proved	2,333,400	1.09	130
Probable	6,949,600	1.02	140
TOTAL	9,283,000	1.04	138

Note: Li₂O cutoff grade >= 0.4% Li₂O and no upper grade threshold modulation. Figures in the above table may not sum due to rounding.

Ore reserves are based on the May 2009 Mt Cattlin global resource estimate. Reserves were estimated within an optimal Whittle pit shell developed by consultants Oreology and a final pit design prepared by Mining Resources. 95% mining recovery and 10% dilution have been assumed.

Reserve estimation has incorporated data from resource definition drilling, geological modelling/resource estimation, detailed surface topography surveys, metallurgical test work, process/plant design, capital/processing cost estimation and mine planning. The DFS model is based on a 15 year mine life. The pit design incorporates geotechnical pit design parameters developed by Dempers and Seymour and haul ramp designs suitable for 85t trucks.

In addition to the reserves stated above, the design pit shells contain 3.47 million tonnes at 1.02% Li₂O and 141ppm Ta₂O₅ of inferred resources. Galaxy believes there is a good chance that most of these inferred resources will be converted to reserves with additional drilling.

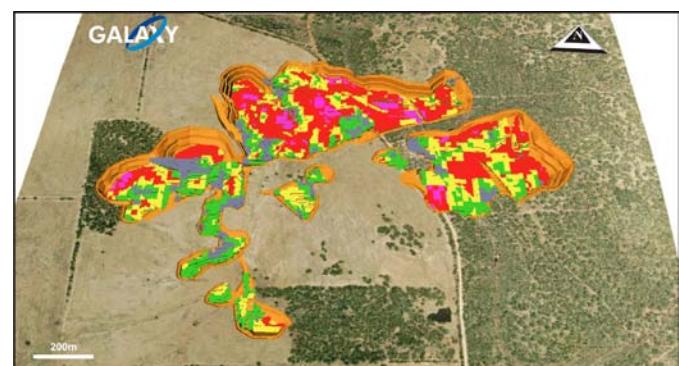


Figure 4 -Proposed pit shells, with contained resource blocks coloured by Li₂O grade overlain on airphotograph.

Geological Activities

Mt Cattlin – to the end of September, 7,500m of a planned RC drilling program of around 8,000m had been completed. This work included both resource infill drilling to upgrade resource categories, in addition to resource extension drilling. The resource infill drilling has generally intersected pegmatite where expected, confirming the geological model and continuity of mineralisation.

Step out drill holes extending up to 250m to the northwest of the current resource have intersected pegmatite at a depth of around 100m, in what appears to be an extension of the main lithium mineralised pegmatite horizon.

Further details on the drill program will be released in a forthcoming announcement, when final assay results have been received.

Sirdar (Mt Cattlin north) – As announced previously, a large block of tenements to the north of Galaxy's Mt Cattlin project and contiguous with Galaxy tenements was recently acquired from Traka and Vistarise. This has been termed the "Sirdar" project area.

First pass mapping and sampling was carried out in some areas in cleared paddocks. This work defined several spodumene-bearing pegmatites with rock chip grab samples grades up to 2% Li₂O. An RC drilling program has now been planned for this area and will commence as soon as all permitting has been completed.

Bakers Hill Project – this project area is 20km south west of Mt Cattlin and includes pegmatites which subcrop over a strike length of nearly 10km. Field reconnaissance and some rock chip sampling was undertaken during the quarter. More detailed mapping and surface sampling is planned for late 2009/early 2010.

Jiangsu Lithium Carbonate Project Approvals

The draft Environment Application Report was reviewed by a panel in late September prior to the submission of the final report. The final report subsequently incorporated recommendations from the panel and has been submitted for approval. Approval is expected by 16th October. The draft of the Safety Application Report will be reviewed by a different panel immediately after the approval of the Environment Report. The Project Application Report will be lodged immediately following approval of these reports.

Definitive Feasibility Study

Subsequent to the September quarter, Galaxy released the final result of the Definitive Feasibility Study for the Jiangsu Lithium Carbonate Project.

The final DFS capital cost estimation of A\$55 million is well in line with Galaxy's earlier estimates (A\$ 50 million) and confirms the estimated returns of the project. The estimate also incorporates a conservative 24% in contingency costs which will allow Galaxy to

manage any changes to projected costs or in the future economic environment.

The study was conducted by Hatch Engineering in China. Hatch China has 20 years project experience in the Peoples Republic of China (PRC). The Hatch China team has successfully completed assignments on over 260 projects with a capital value in excess of US\$2 billion.

The scope of DFS has included basic engineering, procurement and project execution planning in sufficient detail to support development of the Capital Cost Estimate, along with assisting Galaxy in progressing statutory approvals for establishment of the Chinese business entity. The DFS estimate is based on enquiry documents including tender schedules, scope of work, technical specifications, datasheets and terms and conditions issued to tenderers on the approved bidders lists.

The following activities were completed for the DFS during the September quarter:

- Block Flow Diagrams
- Process Design Criteria
- Mass and Energy Balance
- Steam Tables
- Process Flow Diagrams
- Major Process Equipment Lists
- Equipment Specifications and Datasheets
- Layout, piping and electrical diagrams
- Project Execution Planning
- Implementation Strategy

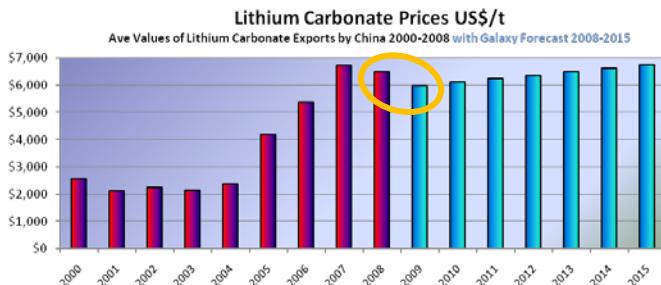
Following the completion of the DFS, The Company will now move very quickly to awarding an EPCM contract for the Jiangsu project ahead of detailed design and the commencement of site preparation works in December 2009.

Lithium Market Update

The recent announcement by Sociedad Química y Minera de Chile S.A. (SQM) to reduce its lithium price levels, with the purpose of accelerating demand growth and creating incentives for research of new lithium uses, is seen by the Company as a positive as it will lead to the sustainable long-term development of the lithium market

Galaxy notes that SQM's production profile is predominantly technical grade product of 99.0% Li₂CO₃ which is used in the chemical, glass and ceramic industries. Technical grade product has softened as a result of a change in market demand over the past 12 months.

Galaxy believes that the rechargeable battery sector in countries like China, Galaxy's target market - has been more resilient and is expected to sustain strong growth. Galaxy has already factored in the reduction of demand and pricing in its financial modelling for the project, assuming a reduction in lithium carbonate pricing as shown below.



Galaxy will be producing 100% battery grade product (grade > 99.5% Li₂CO₃), which currently attracts a price premium of around 10-15% over the technical grade. The Company's project model assumes conservative technical grade pricing with modest growth of

2% p.a. over life of project. Upside for premium product (battery grade) has not been included in Galaxy's calculated project Net Present Value. The demand for battery grade product is expected to be growing strongly by the time Galaxy commences production in Q4 2010. SQM and other South American brine producers have less than 20% market share in China, which is predominantly supplied by lithium carbonate produced from local hard rock deposits as well as Australian-sourced spodumene.

Following Letters of Intent received from new customers/market entrants in the battery grade lithium carbonate sector, Galaxy is currently in discussions to secure off-take agreements with selected parties in China, Europe and Japan.

Figure 5 -Location of Jiangsu Lithium Carbonate Plant



Galaxy Supports Willetton School Solar Challenge

Galaxy was a sponsor of the Willetton Senior High School's Global Green Challenge (previously World Solar Challenge) project during the quarter. The Global Green Challenge is the world's leading, cross-continental race showcasing the latest advances in hybrid, electric, solar, low emission, and alternative energy vehicles. The Challenge is a three thousand kilometre odyssey from Darwin to Adelaide.

As part of an educational project, the Willetton team consist of gifted and talented students from Year 9 to Year 12 building their own solar powered car with power generated from pure renewable energy.

Solar panels and wind turbines on the project team building provided all the power for the construction of the solar powered vehicle. The Willetton vehicle will store the power generated by solar panels in Li ion Batteries in order to achieve a top speed of 70 km/hr and cover 300 kms per day. It is one of the youngest team competing with multi-million dollar entries from Universities and private companies around the world.

The Team on the 3rd day of the race was in the 9th position in its Class of 25 competitors.





Willetton Senior High School Solar Challenge Team



For more information, please contact:

Iggy Tan
Managing Director
08 9215 1700
0419 046 397

Jon Snowball
FD Third Person
08 9386 1233
0424 473 841

Competent Persons Competent Persons

The information in this report that relates to Mineral Resources and Exploration Results is based on information compiled by Mr. Robert Spiers who is a full time employee of Hellman & Schofield Pty Ltd and Mr Philip Tornatora who is a full time employee of the Company. Mr. Spiers and Mr Tornatora have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Spiers and Mr Tornatora consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to Mineral Ore Reserves is based on information compiled by Mr. Glenn Williamson who is a full time employee of Mining Resources Pty Ltd. Mr. Williamson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Williamson consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Caution Regarding Forward Looking Statements

Statements regarding Galaxy's plans with respect to its mineral properties are forward-looking statements. There can be no assurance that Galaxy's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that Galaxy will be able to confirm the presence of additional mineral deposits, that any mineralization will prove to be economic or that a mine will successfully be developed on any of Galaxy's mineral properties. Circumstances or management's estimates or opinions could change. The reader is cautioned not to place undue reliance on forward-looking statements.

About Galaxy (ASX: GXY)

Galaxy Resources is a Western Australian company which is soon to become one of the world's leading producers of lithium – the essential component for powering the world's fast expanding fleet of hybrid and electric cars.

By 2010, GXY's Mt Cattlin mine will be the world's second largest hard rock producer of lithium and, through the development of its value adding lithium carbonate plant (17,000 tpa), the Company will be the largest and lowest cost lithium producer in China.

Lithium concentrate and lithium carbonate materials are forecast to be in short supply against high future demand due to advances in long life batteries and sophisticated electronics including mobile phones and computers.

Galaxy Resources has positioned itself to meet this lithium future by not only mining the lithium but by downstream processing to supply lithium carbonate to the lucrative Asian market.

Appendix 5B

Mining exploration entity quarterly report

Name of entity

GALAXY RESOURCES LIMITED

ABN

11 071 976 442

Quarter ended ("current quarter")

30 September 2009

Consolidated statement of cash flows

		Current Quarter \$A'000	Year to date (3 Months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for	(2874)	(2874)
	(a) exploration and evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) administration	(1231)	(1231)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	19	19
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material) - R&D taxation rebate	-	-
Net operating cash flows		(4086)	(4086)
Cash flows related to investing activities			
1.8	Payment for purchases of	(a) prospects	-
		(b) equity investments	-
		(c) other fixed assets	(415)
1.9	Proceeds from sale of	(a) prospects	-
		(b) equity investments	-
		(c) other fixed assets	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material) – Security bonds	(1)	(1)
Net investing cash flows		(416)	(416)
1.13	Total operating and investing cash flows (carried forward)	(4502)	(4502)

Appendix 5B

Mining exploration entity quarterly report

1.13 Total operating and investing cash flows (brought forward)	(4502)	(4502)
Cash flows related to financing activities		
1.14 Proceeds from issues of shares, options, etc.	3457	3457
1.15 Proceeds from sale of forfeited shares	-	-
1.16 Proceeds from borrowings	70	70
1.17 Repayment of borrowings	-	-
1.18 Dividends paid	-	-
1.19 Other (provide details if material) – costs of issues	(212)	(212)
Net Financing Cash Flows		
	3315	3315
Net increase (decrease) in cash held		
1.20 Cash at beginning of quarter/year to date	3441	3441
1.21 Exchange rate adjustments to Item 1.20	-	-
1.22 Cash at end of quarter	2254	2254

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	170
1.24 Aggregate amount of loans to the parties included in item 1.10	-

Explanation necessary for an understanding of the transactions

Includes directors' fees, salary and superannuation and also fees paid to directors or director related entities for professional and technical services.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

add notes as necessary for an understanding of the position

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outlays for next quarter

- 4.1 Exploration and evaluation
- 4.2 Development

TOTAL

\$A'000
2000
-
2000

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the statement of cash flows) to the related items in the accounts is follows.

- 5.1 Cash on hand and at bank
- 5.2 Deposits at call
- 5.3 Bank overdraft
- 5.4 Other – investment commercial bills of 6 months or less

Total: cash at end of quarter (item1.22)

Current Quarter \$A'000	Previous Quarter \$A'000
169	216
2085	3225
-	-
-	-
2254	3441

Changes in interests in mining tenements – refer attached tenement schedule

	Tenement Reference	Nature of Interest [note (2)]	Interest at Beginning of Quarter	Interest at End of Quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements acquired or increased				

Appendix 5B

Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preferences securities <i>(description)</i>				
7.2 Changes during quarter (a) increases through issues (b) decreases through returns of capital, buybacks, redemptions				
7.3 Ordinary securities	87,474,816	87,474,816		
7.4 Changes during quarter (a) increases through issues (b) decreases through returns of capital, buybacks	10,349,000 1,000,000	10,349,000 1,000,000	35 30	35 30
7.5 Convertible debt securities				
7.6 Changes during quarter (a) increases through issues (b) decreases through securities matured, converted				
7.7 Options			<i>Exercise price</i>	<i>Expiry date</i>
GXYAO	500,000	-	30	06/02/10
GXYAQ	1,500,000	-	40	06/02/11
GXYAS	750,000	-	30	30/01/10
GXYAI	3,412,500	-	35	31/12/09
GXYAK	13,200,000	-	Various	Various
7.8 Issued during quarter				
7.9 Exercised during quarter				
GXYAO	1,000,000	-	30	06/02/10
GXYAI	749,000	-	35	31/12/09
7.10 Expired/Cancelled during quarter				
GXYAU	1,500,000	-	Various	24/11/11

7.11 Debentures <i>(totals only)</i>		
7.12 Unsecured notes <i>(totals only)</i>		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does/does not* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: Date: 29 October 2009
(Company Secretary)

Print name: John Sobolewski

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address the topic, the Australian standard on that topic (if any) must be complied with.

Appendix 5B**Mining exploration entity quarterly report****Tenement Schedule as at 30 September 2009**

Project	Tenement	Notes
<u>Boxwood Hill</u>	E70/1988	
	E70/2493	
	E70/2513-E70/2514	
	E70/2547	
<u>Connolly</u>	E69/1878	
<u>Ponton</u>	E28/1317	
	E28/1830	
<u>Shoemaker</u>	E69/1869-1871	3
<u>Ravensthorpe</u>		
Aerodrome	E74/334	
	E74/398	
Bakers Hill	E74/287	2
	E74/295	
	E74/299	
	E74/415	
	P74/278	
	P74/336	
McMahon	M74/165	
	M74/184	
	P74/334	
Mt Cattlin	M74/12	
	M74/155	
	M74/158-M74/159	
	M74/182	
	M74/196-M74/197	
	P74/326-P74/333	
	L74/46	
	M74/244	
Mosaic	M74/136	
Elverdton JV	M74/162-M74/163	1
	P74/304-P74/306	1
	E74/406	1
West Kundip	M74/133	
	M74/238	

Appendix 5B
Mining exploration entity quarterly report

Floater	E74/400	4
	P74/307-P74/308	4
Sirdar	E74/401	5
	P74/309-P74/310	5

- 1) Ravensthorpe JV with Pioneer Nickel; Pioneer has earned 75% in all minerals
- 2) Cocanarup JV with UCABS, 80% Galaxy, 20% UCABS
- 3) Subject to Sale & JV Agreement with GMC
- 4) Recently purchased from Vistarise (transfer in progress)
- 5) Sirdar JV with Traka, 80% Galaxy, 20% Traka (transfer in progress)